

Daniel J. Lawler
Partner
(312) 214-4861
daniel.lawler@btlaw.com
January 26, 2018

VIA EMAIL AND OVERNIGHT DELIVERY

Mr. Michael Constantino
Illinois Health Facilities & Services Review Board
525 West Jefferson Street
Second Floor
Springfield, IL 62761

RECEIVED

JAN 29 2018

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: SwedishAmerican Hospital, Rockford, Project #17-019
Response to Request for Additional Information

Dear Mr. Constantino:

This letter responds to your requests for additional information regarding the modification to SwedishAmerican Hospital Project #17-019. The attached documents include the following:

1. A revised Attachment 9 clarifying the existing, proposed, remodeled and as is space. There will be no vacated space in connection with the project and no demolished space. Attachment 9 also reconciles the total clinical cost on the cost space chart to the clinical cost on the project cost and sources of funds statement.
2. A revised Attachment 14 to that also reconciles with Attachment 9. This resulted in a few minor changes from the original modification.
3. The table for department costs and gsf for Attachment 37.
4. The table from the initial modification confirming the existing, proposed and difference in beds. Regarding the ten NICU beds, please note that they were approved on June 7, 2017 in Project E-019-17, and are already included in the Inventory of Health Care Facilities and Services as reflected in the Addendum to the Inventory dated January 10, 2017 (copy attached). The NICU beds approved in Project E-019-17 will be added to the existing facility, then relocated to the women and children's facility proposed by this project (#17-019) when it is completed. For that reason, the ten NICU beds are identified in the attached table as existing beds rather than proposed beds. The key rooms table you sent to me on January 2nd is correct.
5. A revised Project Cost and Sources of Funds reflecting a reduction of \$450,000 in the contingency for clinical contracts and corresponding increase in the clinical equipment. The total project cost is unchanged.

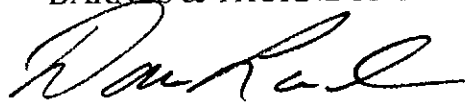
Mr. Michael Constantino
January 26, 2018
Page 2

6. A revised Itemization of Project Costs (Attachment 7) reflecting the change noted above in the contingency and equipment line items.

Thank you for your attention to this matter.

Very truly yours,

BARNES & THORNBURG LLP



Daniel J. Lawler

DJL:dp
Attachments

cc: Ms. Jedediah Cantrell, Vice-President of Operations, SwedishAmerican Health System

Project Cost Space Requirements

Department	Project Cost	Gross Square Feet		Amount of Proposed total GSF that is:			
		Existing	Proposed	New Construction	Remodeled	As Is	Vacated Space
Reviewable/Clinical							
Pediatric Clinics	\$8,648,530		13,200	13,200			0
LDR	\$12,472,622	16,750	16,165	16,165			0
C-section	\$3,692,792	2,380	4,065	4,065			0
Post Partum	\$10,770,988	18,130	12,750	12,750			0
NICU/SCN	\$11,375,531	2,775	16,104	16,104			0
Pediatric Inpatient	\$4,052,236	10,250	10,250		9,135	1,115	0
Inv.Cath/Angiography	\$8,370,369	17,257	17,257	12,000		5,257	0
PACU	\$3,055,593	4,400	4,660		4,660		0
Surgery	\$5,779,168	26,647	29,359		12,859	16,500	0
Prep/Recovery	\$2,035,533	9,242	12,842		3,600	9,242	0
Central Sterile Proc.	\$8,368,357	9,091	14,800		14,800		0
Emergency	\$6,801,917	24,220	31,820		17,175	14,645	0
Acute Mental Illness	\$2,215,511	25,748	30,998		5,250	25,748	0
Medical/Surgical	\$12,837,340	54,390	75,390		21,000	54,390	0
Total Reviewable	\$100,476,489		329,476	107,140	88,479	126,897	0
Total Non-Reviewable*	\$25,558,972		52,576	52,576			0
TOTAL PROJECT COSTS	\$126,035,461	221,280	342,216	126,840	88,479	126,897	0

*Non-Reviewable includes building entrance, lobby, public circulation, conference center and mechanical & electrical space.

Size of Project

Department/ Service	# of Key Rooms	Proposed DGSF	Proposed DGSF/Room	State Standard DGSF		DGSF Difference/ Room	Met Standard?
Pediatric Clinics	24	13,200	550	800		(250)	Yes
LDR	14	16,165	1,155	1,120	1,600	(445)	Yes
C-Section	2	4,065	2,033	2,075		(42)	Yes
Post-Partum	20	12,750	638	500	660	(22)	Yes
Pediatric Inpatient	10	9,135	914	500	660	254	No
Cath/Angiography	5	12,000	2,400	1,800		600	No
PACU Phase I	14	4,660	333	180/Station		153	No
Surgery	6	12,859	2,143	2,750		(607)	Yes
Emergency	18	17,175	954	900/ Station		54	No
Surgical Prep/Rec Phase II	6	3,600	600	400/Station		200	No
Cath/IR Prep/Rec Phase II	14	4,372	312	400/Station		(88)	Yes
Medical/Surgical	32	21,000	656	500	660	(4)	Yes
Level II+ Nursery	14	9,394	276 OB/Bed	160/OB		116	No
NICU	10	6,710	671	434	550	121	No

The above table reflects the changes in project square footage based on the reduction of the Pediatric Unit from 28 beds to 10 beds and the reduction of Phase I PACU from 16 to 14. The size of the Pediatric Unit no longer meets the state standard because this is an existing unit in existing space and the reduction in beds from 28 to 10 resulted in a significant increase in the department's square feet per bed.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot		Gross Square Feet		Gross Square Feet		Const. \$	Mod. \$	
	New	Mod.	New	Circ.	Mod.	Circ.	(AxC)	(BxE)	
Pediatrics Clinic	488.38		13,200	40%			\$6,446,626		\$6,446,626
LDR	492.12		16,165	50%			\$7,955,137		\$7,955,137
C/Section	601.04		4,045	50%			\$2,431,219		\$2,431,219
NICU/SCN	377.84		16,104	50%			\$ 6,084,797		\$6,084,797
Post Partum	593.61		12,750	50%			\$7,568,486		\$7,568,486
Cath/EP/IR	391.50		12,000	50%			\$4,698,009		\$4,698,009
PACU		386.43			4,660	50%		\$1,800,768	\$1,800,768
OR		289.47			12,859	50%		\$3,722,335	\$3,722,335
Prep/Recovery		291.55			3,600	50%		\$1,049,568	\$ 1,049,568
Central Sterile		312.76			14,800	30%		\$4,628,888	\$4,628,888
Emergency		240.94			17,175	50%		\$4,138,091	\$4,138,091
Acute Mental Illness		227.81			5,250	50%		\$1,196,000	\$1,196,000
Pediatric Inpatient		197.75			9,135	50%		\$ 1,806,429	\$1,806,429
Med/Surg Inpatient		303.21			21,000	50%		\$6,367,510	\$6,367,510
Subtotal							\$35,184,274	\$24,709,590	\$59,893,864
Contingency									\$8,962,779
Totals							\$35,184,274	\$24,709,590	\$59,893,864

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available**. Include **observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: SwedishAmerican Hospital			CITY: Rockford, Illinois		
REPORTING PERIOD DATES: From: July 1, 2015 To: June 30, 2016					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	209	10,342	47,170	-10	199
Obstetrics	34	2,520	4,431	0	34
Pediatrics	28	200	712	-18	10
Intensive Care	30	368	6,048	0	30
Comprehensive Physical Rehabilitation	0	0	0	0	0
Acute/Chronic Mental Illness	32	1,387	8,540	+10	42
Neonatal Intensive Care	10	New*	New*	0	10
General Long Term Care	0	0	0	0	0
Specialized Long Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other ((identify))	0	0	0	0	0
TOTALS:	343	14,889	67,352	-18	325

*NOTE: SwedishAmerican Hospital's exemption application for a new 10-bed NICU (E-0019-17) was approved on June 7, 2017. The NICU Service will be set up in the existing facility, then relocated to the new patient tower as part of this project once the tower is completed.

ADDENDUM TO INVENTORY OF HEALTH CARE FACILITIES
January 10, 2018

Planning Area	Change or Permit #	Effective Date	Identification and Description of Transaction
Changes to Intensive Care, Medical-Surgical, Pediatrics, & Obstetrics/Gynecology			
A-10	E-038-17	11/14/2017	Centegra Hospital - Woodstock, Woodstock, received exemption to discontinue 60 bed Medical-Surgical category of service and 12 bed Intensive Care category of service. Hospital Planning Area A-10 now has a total of 231 authorized Medical-Surgical/Pediatrics beds, with a calculated need for 2 additional beds. Hospital Planning Area A-10 now has a total of 29 authorized Intensive Care beds, with a calculated need for 8 additional beds.
A-10	17-037	11/14/2017	Centegra Hospital - Huntley, Huntley, received permit to discontinue 4 Medical-Surgical beds and to add 4 Intensive Care beds to existing category of service. The facility now has 96 authorized Medical-Surgical beds and 12 authorized Intensive Care beds. Hospital Planning Area A-10 now has a total of 227 authorized Medical-Surgical/Pediatrics beds, with a calculated need for 6 additional beds. Hospital Planning Area A-10 now has a total of 33 authorized Intensive Care beds, with a calculated need for 2 additional beds.
A-04	E-046-17	11/7/2017	Advocate South Suburban Hospital, Hazel Crest, received exemption to discontinue a 10 bed Pediatrics category of service. The facility is authorized for 197 Medical-Surgical beds. Hospital Planning Area A-04 now has a total of 2,040 authorized Medical-Surgical/Pediatrics beds, with a calculated excess capacity of 483 beds.
A-04	E-047-17	11/21/2017	Palos Community Hospital, Palos Heights, received exemption to discontinue a 15 bed Pediatrics category of service. The hospital has 306 Medical-Surgical beds. Hospital Planning Area A-04 now has a total of 2,025 authorized Medical-Surgical/Pediatrics beds, with a calculated excess capacity of 468 beds.
A-05	Bed Change	12/22/2017	Edward Hospital, Naperville, discontinued 13 intensive Care beds; facility now has 49 authorized Intensive Care beds. Hospital Planning Area A-05 now has a total of 228 authorized Intensive Care beds, with a calculated need for 9 additional beds.
Change to Acute Mental Illness			
Hospital Planning Area A-9	17-048	1/9/2018	Vista West Behavioral Hospital, Waukegan, received permit to add 100 Acute Mental Illness beds to an existing category of service. The hospital will have 148 Acute Mental Illness beds. Hospital Planning Area A-9 will have a total of 159 authorized Acute Mental Illness beds, with a calculated excess capacity of 75 beds.
Changes to Comprehensive Physical Rehabilitation			
HSA 6	E-038-17	9/13/2017	Holy Cross Hospital, Chicago, approved for exemption to discontinue 34 bed Comprehensive Rehabilitation category of service. Health Service Area 6 now has a total of 808 authorized Comprehensive Rehabilitation beds, with a calculated excess capacity of 187 beds.
HSA 8	E-037-17	11/14/2017	Centegra Hospital-McHenry, McHenry, received exemption to discontinue 22 bed Comprehensive Rehabilitation category of service. Health Service Area 8 now has a total of 83 authorized Comprehensive Rehabilitation beds, with a calculated need for 17 additional beds.
HSA 8	17-036	11/14/2017	Centegra Hospital-Woodstock, Woodstock, received permit to establish 22 bed Comprehensive Rehabilitation category of service. Health Service Area 8 now has a total of 105 authorized Comprehensive Rehabilitation beds, with a calculated excess capacity of 5 beds.
HSA 8	E-041-17	9/29/2017	Vista West Behavioral Hospital, Waukegan, received exemption to discontinue a 25 bed Comprehensive Rehabilitation category of service. Health Service Area 8 now has a total of 80 authorized Comprehensive Rehabilitation beds, with a calculated need for 20 additional beds.
Changes to Neonatal Intensive Care			
HSA 1	E-019-17	6/7/2017	Swedish American Hospital, Rockford, approved for exemption to establish a 10 bed Neonatal Intensive Care category of service. Health Service Area 1 now has a total of 62 authorized Neonatal Intensive Care beds.
Change to Cardiac Catheterization			
Changes to Open Heart Surgery			
Changes to Organ Transplantation			
Changes to Hospital-Based Long-Term Care			
HSA 9	Bed Change	9/25/2016	Schwab Rehabilitation Hospital added 19 Long-Term Care beds to existing service; facility now has 31 Long-Term Care beds.
HSA 7	E-048-17	11/7/2017	Advocate South Suburban Hospital, Hazel Crest, was approved for an exemption to discontinue a 41 bed Skilled Nursing (Long-Term Care) category of service.
HSA 6	Bed Change	11/22/2017	Schwab Rehabilitation Hospital revoked 9/25/2016 addition of 10 Long-Term Care beds to existing service; facility now has 21 Long-Term Care beds.
Changes to Long-Term Acute Care			

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$75,000	\$15,000	\$90,000
Site Survey and Soil Investigation	-	-	-
Site Preparation	-	-	-
Off Site Work	-	-	-
New Construction Contracts	\$35,184,274	\$14,851,828	\$50,036,102
Modernization Contracts	\$24,709,590	-	\$24,709,590
Contingencies	\$8,962,779	\$2,688,221	\$11,651,000
Architectural/Engineering Fees	\$4,837,013	\$1,097,191	\$5,934,203
Consulting and Other Fees	\$250,000	-	\$250,000
Movable or Other Equipment (not in construction contracts)	\$19,147,225	\$5,047,077	\$24,194,302
Bond Issuance Expense (project related)	\$931,659	\$236,993	\$1,168,652
Net Interest Expense During Construction (project related)	\$6,378,949	\$1,622,663	\$8,001,612
Fair Market Value of Leased Space or Equipment	-	-	-
Other Costs To Be Capitalized	-	-	-
Acquisition of Building or Other Property (excluding land)	-	-	-
TOTAL USES OF FUNDS	\$100,476,489	\$25,558,972	\$126,035,461
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$5,378,949	\$1,622,663	\$7,001,612
Pledges	-	-	-
Gifts and Bequests	\$1,000,000	-	\$1,000,000
Bond Issues (project related)	\$94,097,539	\$23,936,309	\$118,033,848
Mortgages	-	-	-
Leases (fair market value)	-	-	-
Governmental Appropriations	-	-	-
Grants	-	-	-
Other Funds and Sources	-	-	-
TOTAL SOURCES OF FUNDS	\$100,476,489	\$25,558,972	\$126,035,461
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

SwedishAmerican Hospital: Itemization of Project Costs

Items	Cost	Line Item Total
Pre-Planning		\$90,000
Space Programming	\$30,000	
Pre-Schematic Planning	\$60,000	
		\$50,036,102
New Construction Contracts		
Women's & Childrens Pavilion	\$43,821,805	
Cath/EP IR Addition	\$6,214,297	
		\$24,709,590
Modernization Contracts		
Surgery Renovation	\$13,889,772	
Emergency Department Renovation	\$3,761,325	
Nursing Unit Renovations	\$7,058,493	
		\$11,651,000
Contingencies		
		\$5,934,203
Architect/Engineering Fees		
Architect/Engineering Basic Services	\$5,747,203	
Specialty Consultant Services	\$187,000	
		\$250,000
Consulting and Other Fees		
CON Application Fee		
CON Consulting and Legal Fees	\$250,000	
		\$24,194,302
Movable/Other Equipment		
Clinics 1st Floor	\$2,872,817	
Labor & Delivery/C-Section 2nd Floor	\$4,309,655	
NICU 3rd Floor	\$1,000,000	
Post Partum 4th Floor	\$3,065,683	
Cath/EP IR Addition	\$5,446,387	
Modernization Areas	\$7,499,760	
		\$1,168,652
Bond Issuance Expense		
		\$8,001,612
Net Interest Expense		
TOTAL PROJECT COSTS	\$126,035,461	\$126,035,461